



DEPARTMENT OF COMMERCE

Census Bureau

Agency Information Collection Activities; Submission to the Office of Management and Budget (OMB) for Review and Approval; Comment Request; Annual Business Survey

The Department of Commerce will submit the following information collection request to the Office of Management and Budget (OMB) for review and clearance in accordance with the Paperwork Reduction Act of 1995, on or after the date of publication of this notice. We invite the general public and other Federal agencies to comment on proposed, and continuing information collections, which helps us assess the impact of our information collection requirements and minimize the public's reporting burden. Public comments were previously requested via the Federal Register on July 6, 2020 during a 60-day comment period. This notice allows for an additional 30 days for public comments.

Agency: U.S. Census Bureau, Department of Commerce.

Title: Annual Business Survey.

OMB Control Number: 0607-1004.

Form Number(s): ABS-1.

Type of Request: Regular submission, Request for a Revision of a Currently Approved Collection.

Number of Respondents: 308,000.

Average Hours Per Response: 58 minutes.

Burden Hours: 301,533.

Needs and Uses: In an effort to improve the measurement of business dynamics in the United States, the Census Bureau is conducting the Annual Business Survey (ABS). The ABS combines Census Bureau firm-level collections to reduce respondent burden, increase data quality, reduce operational costs, and operate more efficiently. The ABS replaced the five-year

Survey of Business Owners (SBO) for employer businesses, the Annual Survey of Entrepreneurs (ASE), and the Business Research and Development (R&D) and Innovation for Microbusinesses (BRDI-M) surveys. The ABS provides information on selected economic and demographic characteristics for businesses and business owners by sex, ethnicity, race, and veteran status. Further, the survey measures research and development for microbusinesses, new business topics such as innovation and technology, as well as other business characteristics. The ABS is sponsored by the National Center for Science and Engineering Statistics (NCSES) within the National Science Foundation (NSF) and conducted by the Census Bureau for five years (2018 – 2022).

The ABS includes all nonfarm employer businesses filing Internal Revenue Service (IRS) tax forms as individual proprietorships, partnerships, or any other type of corporation, with receipts of \$1,000 or more. The ABS sampled approximately 850,000 employer businesses for survey year 2018 (reference year 2017). Starting with survey year 2019 (reference year 2018), the sample is reduced to approximately 300,000 employer businesses annually (survey years 2019 – 2022) to reduce the burden on the respondents. The reduced sample size will yield summary-level estimates for women-owned, minority-owned, and veteran-owned businesses at the 2-digit NAICS, U.S., state and metropolitan statistical area (MSA) levels. The Census Bureau uses administrative data to estimate the probability that a firm is minority- or women-owned. Each firm is then placed in one of nine frames for sampling. The sampling frames are: American Indian or Alaskan Native, Asian, Black or African American, Hispanic, Native Hawaiian and Other Pacific Islander, Non-Hispanic White Men, Other, Publicly Owned, and Women. The sample is stratified by state, industry, and frame. The Census Bureau selects some companies with certainty based on volume of sales, payroll, and number of paid employees or NAICS. All certainty cases are sure to be selected and represent only themselves.

Starting with survey year 2021 (reference year 2020), the ABS sample included an additional 8,000 respondents to collect research activities from nonprofit organizations.

Historically, nonprofit organizations were in scope to the ABS, however, they were not mailed before the 2021 ABS because the survey does not expect nonprofit organizations to be classifiable by sex, ethnicity, race, or veteran status. To include the nonprofit organizations, the sample size increased to approximately 308,000 (300,000 employer businesses + 8,000 nonprofit organizations). Of note, nonprofit organizations will only see questions relating to research activities and will not be asked any questions relating to owner demographics.

The ABS is designed to allow for incorporating new content each survey year based on topics of relevance. Each year new questions will be submitted to the Office of Management and Budget (OMB) for approval.

Employer businesses will be asked questions about the sex, ethnicity, race, and veteran status for up to four persons owning the majority of rights, equity, or interest in the business (Section B of the questionnaire). Organizations sampled as nonprofits and respondents with 1-9 employees will be asked about research and development (R&D) activities, R&D costs, and R&D capital expenditures (Sections C and D of the questionnaire respectively). Further, employer businesses sampled will be asked about the following topics: Goods, Services, and Business Processes and Technology (Section E of the questionnaire); Design and Intellectual Property (Section F of the questionnaire); Domestic and Foreign Transactions (Section G of the questionnaire); and Coronavirus Pandemic Impact on Research and Development and Business Activities (Section H of the questionnaire). The 2022 ABS includes additional questions on capital expenditures for R&D performers. The R&D capital expenditures is asked of nonprofits and businesses with 1-9 employees (sections C and D of the ABS questionnaire).

The ABS is primarily collected via an electronic or web-based instrument. Respondents selected for the survey receive an initial letter informing them of their requirement to complete the survey as well as instructions on accessing the survey. The 2022 ABS initial mailing is scheduled for July 2022. Responses will be due approximately 30 days from initial mailing. Respondents will also receive a due date reminder approximately one week before responses are

due. The Census Bureau plans to conduct two follow-up mailings and an optional third follow-up if deemed necessary based on check-in. Nonrespondents may receive a certified mailing for the second and third follow-up mailings. The Census Bureau may also plan to conduct an email follow-up to select nonrespondents reminding them to submit their report in the electronic instrument. The Census Bureau may include a paper questionnaire during the follow-up activities to assist with collecting data from select nonrespondents. Closeout of mail operations is scheduled for January 2023 but may be extended to allow ample time to receive returned forms if necessary. Response data will be processed as they are received. Upon the close of the collection period, data processing will continue, and records will be edited, reviewed, tabulated, and disseminated.

The Census Bureau, in collaboration with the NCSES, has started discussing topics for the 2023 - 2027 ABS 5-year cycle. As a result, a draft 5-year content plan has been developed for OMB's review.

Affected Public: Business or other for-profit organizations.

Frequency: Annually.

Respondent's Obligation: Mandatory.

Legal Authority: Title 13, United States Code, Sections 8(b), 131, and 182; Title 42, United States Code, Section 1861-76 (National Science Foundation Act of 1950, as amended); and Section 505 within the America COMPETES Reauthorization Act of 2010 authorize this collection. Sections 224 and 225 of Title 13, United States Code, require a response from sampled firms.

This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view the Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting

"Currently under 30-day Review - Open for Public Comments" or by using the search function and entering either the title of the collection or the OMB Control Number 0607-1004.

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